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Livestock and Wool SITUATION

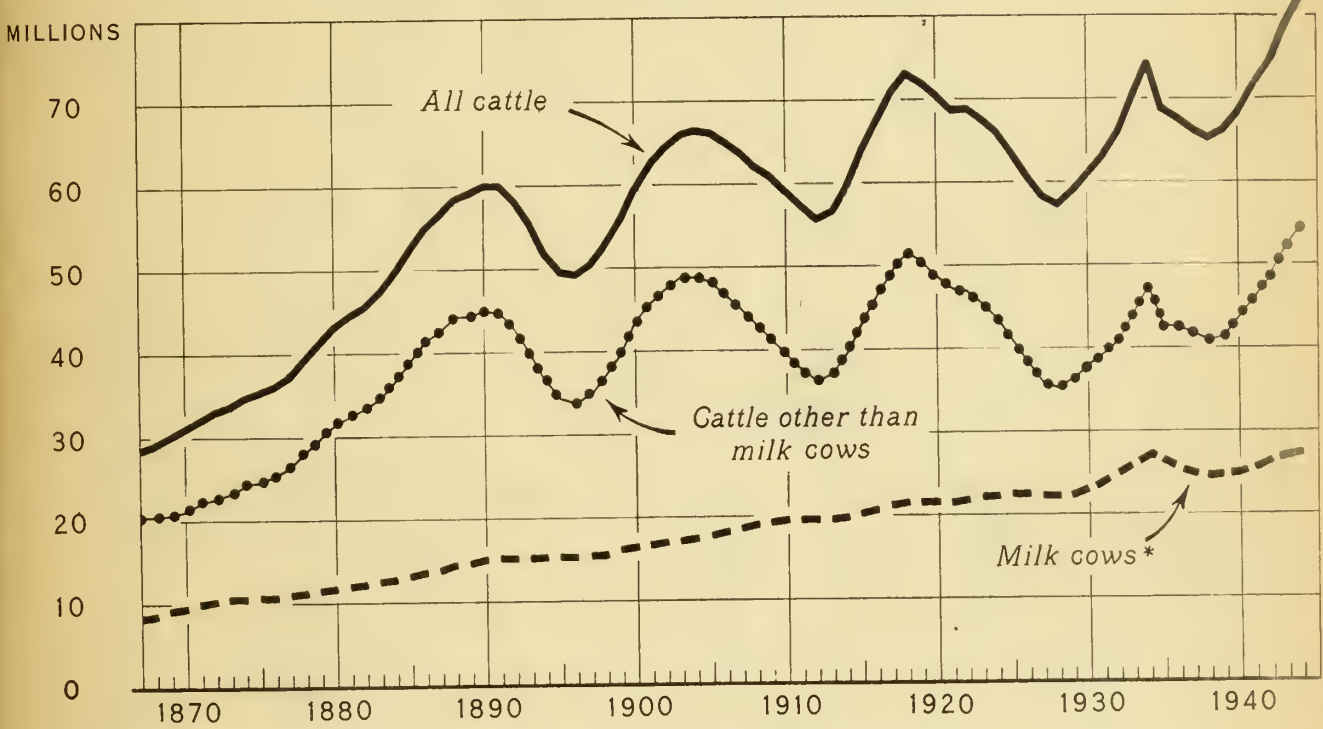
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LWS-22

BAE

FEBRUARY 1944

ALL CATTLE: NUMBER ON FARMS JANUARY 1,
UNITED STATES, 1867-1944



*COWS AND HEIFERS 2 YEARS OLD AND OVER KEPT FOR MILK
DATA FOR 1944 ARE PRELIMINARY

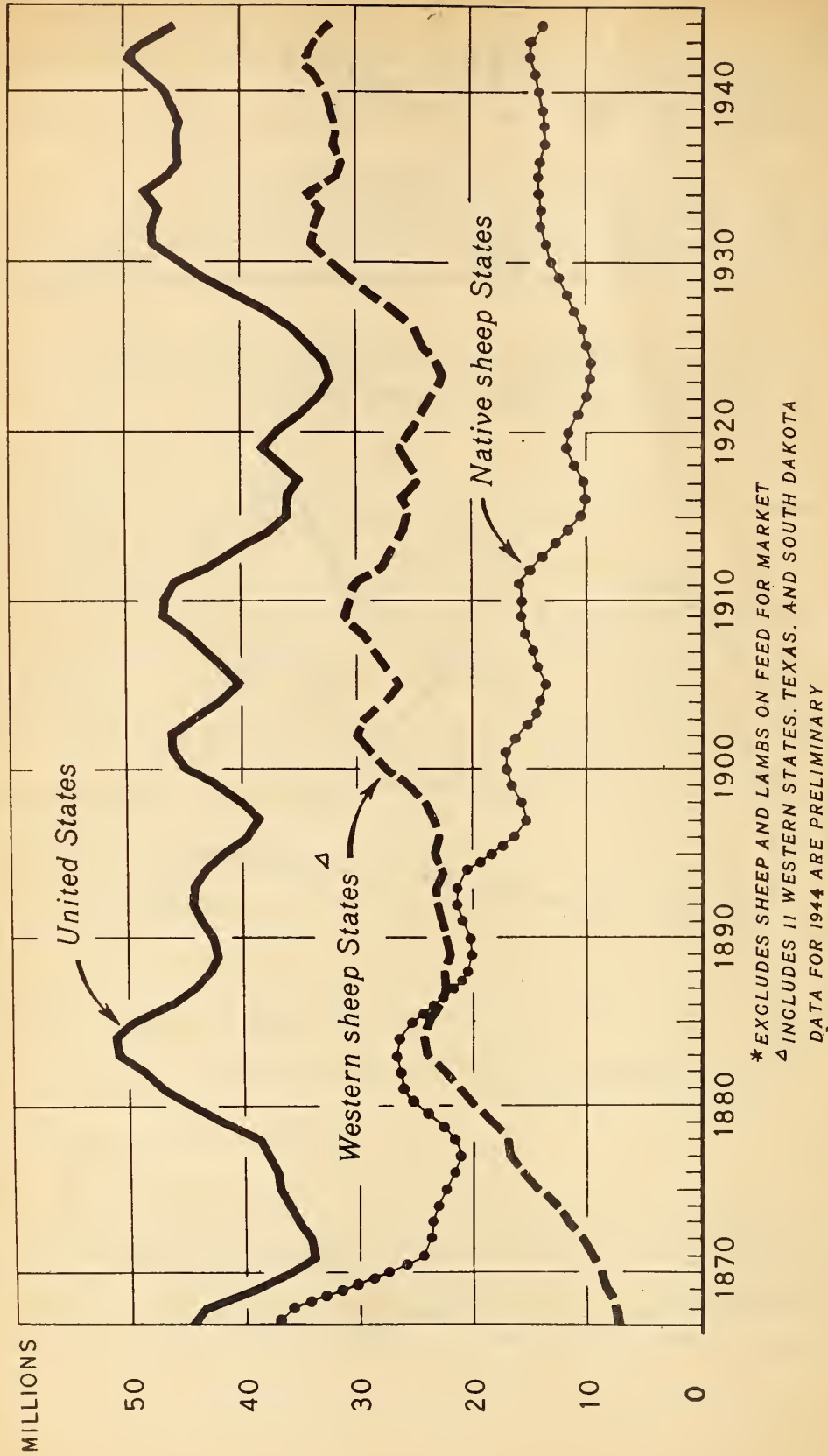
U. S. DEPARTMENT OF AGRICULTURE

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BUREAU OF AGRICULTURAL ECONOMICS

Despite large marketings of cattle for slaughter during 1943, the total number of cattle and calves on farms and ranches at the beginning of 1944 was about 3 million head greater than a year earlier. Milk cow numbers were at a new high, and the number of cattle other than milk cows was larger than the previous record in 1918. Increased beef cattle slaughter could continue for the next 4 or 5 years without endangering the cattle population. This reduction in numbers would leave cattle growers in a sound economic position at the end of that period.

STOCK SHEEP AND LAMBS: NUMBER ON FARMS JANUARY 1, 1867-1944 *



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FIGURE 1

Sheep numbers have been declining since January 1, 1942. In the native sheep States, stock sheep numbers on January 1, 1944 were relatively high, but were below numbers in the previous 2 years. In the 13 Western States, stock sheep numbers were at the lowest level since 1939.

 THE LIVESTOCK AND WOOL SITUATION

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Summary

The supply of meat available for civilian use in the April-June quarter of 1944 will be less than the supply in January-March, but in the second quarter probably will be at least as large as supplies in April-June 1943. Meat production will be seasonally down, but will probably be larger than in April-June last year.

Partly offsetting the seasonal decline in production are the large stocks of meat which are being accumulated in cold-storage warehouses, some of which will move out of storage in the spring and summer. Also, War Food Administration purchases of meat for lend-lease, which were unusually heavy in January and February, will probably slacken as meat production tapers off this spring and summer. Stocks of meats, including trimmings and edible offal, in storage in commercial warehouses and packing plants on February 1 were 1,065 million pounds, an increase of 153 million pounds over January 1 stocks and 250 million pounds more than average February 1 stocks in the previous 5-year period.

Large demands for meat created by the war and favorable livestock-feed relationships have caused a large expansion of livestock numbers in this country in the last few years. Numbers of cattle and calves, hogs, and poultry on farms January 1, 1944 were at an all-time high. Sheep numbers, on the other hand, were down 7 percent from a year earlier, and horse and mule numbers were 4 percent less than on January 1, 1943.

Hogs marketed will probably average considerably lighter in weight in 1944 than they did in 1943. The average weight of all hogs slaughtered under Federal inspection in 1943 was 253 pounds, 8 pounds heavier than the average weight in 1942, which was much heavier than normal. In recent weeks all hogs sold at seven markets were averaging about 4 pounds lighter than for the corresponding period a year ago.

Hog prices at Chicago during the third week of February rose above the support level for the first time since November 9. On January 27 the support weight range was extended to cover 300-330 pounds for an indefinite period. Hogs weighing 250-330 pounds did not sell quickly and hold-overs of unsold hogs were made up largely of hogs of these weights. While hold-overs of hogs at terminal markets were common in January, during the first 3 weeks of February market supplies of hogs were large but generally were not a problem.

Prices of almost all grades of slaughter cattle at Chicago have advanced in recent weeks, and the demand for stocker and feeder cattle has strengthened. Cattle and calf slaughter, although well above early 1943 levels, has declined seasonally in recent weeks.

Poor condition of sheep in New Mexico and Arizona, may tend to reduce the production of spring lambs in these States. The early lamb crop of California this year is indicated to be less than last year.

An important development in the domestic wool situation in the past month was the announcement by the War Food Administration on January 26 that it will offer to purchase the 1944 domestic production of wool at the 1943 purchase price, which is the current ceiling price less specific marketing costs. The wool program was announced as part of the 1944 support-price program, which is subject to Congressional authorization. The proposed wool program is similar to that of 1943 in that established wool dealers would act as purchasing agents for the WFA and that wool would be offered to mills at ceiling prices. Midmonth prices received by farmers averaged 40.9 cents a pound in the first 9 months of the Government purchase program which went into effect April 25, 1943. Farmers probably would have received lower prices in 1943 if no support program had been available, as comparable grades of foreign wool were readily available at lower prices.

Mill consumption of apparel wool in 1943 totaled approximately 1,061 million pounds (greasy shorn and pulled basis). About 430 million pounds of domestic wool were used. The 1943 consumption was about equal to the 1942 record consumption. Monthly consumption of apparel wool reached a peak in the spring of 1943; since then the trend has been downward. The decline in mill consumption is chiefly the result of a decline in production of military fabrics. Consumption is expected to continue at a relatively high level in 1944, although below the record mill consumption of the past 2 years.

-- February 19, 1944

OUTLOOK

Civilian Meat Supplies to DecreaseFrom January-March Level

Civilian supplies of meat in April-June of this year will be reduced from the level of January-March. However, on the basis of tentative allocations civilians are expected to receive at least as much meat and perhaps more in the period April-June 1944 than they received in the same quarter of 1943 -- the first 3 months of the meat-rationing program. Meat production will be down seasonally in this period but probably will be larger than a year earlier. The reduction from the first quarter will be largely in pork, because of seasonally reduced hog slaughter. Lamb and mutton production will probably be down slightly. Production of beef and veal will probably be nearly the same.

The decrease in the amount of meat for civilians will not be as great as the decrease in total production. A sizable quantity of meat produced in January-March will not reach retail trade channels before April. Stocks of meat in commercial storage are large. February 1 meat stocks, including trimmings and edible offals, in commercial cold-storage warehouses were reported at 1,065 million pounds, 31 percent above average storage stocks for that date in the period 1939-43. While some of this meat is owned by the armed forces and by War Food Administration, privately owned stocks are still large. A net out-of-storage movement of meat usually begins in March and continues through October. After October the movement is into storage. War Food Administration purchases of meat have been very large during the winter. During the spring and summer as meat production declines, buying for lend-lease will probably decline from recent high levels.

Record Numbers of LivestockNow on Farms

All-time record numbers of cattle and calves, hogs, and poultry were on farms January 1, 1944. The large increase in livestock numbers in recent years has resulted from heavy demands for meat created by the war, large feed supplies, and favorable livestock-feed relationships. The greatest part of the increase in numbers has resulted from the large increase in hog numbers. Sheep numbers were decreased 4 million head (7 percent) from a year earlier when they were at a very high level. Horse and mule numbers have been declining for many years and were reduced 4 percent from a year earlier. In terms of total grain-consuming animal units there were 170.8 million on January 1, 1944, compared with 159.6 million on January 1, 1943, and a 1935-39 average of 122.8 million. A further increase in the number of grain-consuming animal units in 1944 from the present number does not seem possible with prospects for decreased pig and lamb crops, a further reduction in horse and mule numbers, and less poultry to be raised during the year.

Table 1.- Livestock and grain-consuming animal units on farms in the United States, January 1, 1930-44

Year	Horses and mules	All cattle, including milk cows	Milk cows	All sheep	Hogs	Chickens	Grain-consuming animal units 1/
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
1930	19,124	61,003	23,032	51,565	55,705	468,491	135,806
1931	18,468	63,030	23,820	53,233	54,835	449,743	134,944
1932	17,812	65,801	24,896	53,902	59,301	436,815	139,469
1933	17,337	70,280	25,936	53,054	62,127	444,523	144,491
1934	16,997	74,369	26,931	53,503	58,621	433,937	143,168
1935	16,683	68,846	26,082	51,808	39,066	389,958	120,518
1936	16,226	67,847	25,196	51,087	42,975	403,446	123,032
1937	15,802	66,098	24,649	51,019	43,083	423,921	122,401
1938	15,245	65,249	24,466	51,210	44,525	389,624	120,962
1939	14,792	66,029	24,600	51,595	50,012	418,591	127,003
1940	14,481	68,197	24,926	52,399	61,115	438,288	138,491
1941	14,136	71,461	25,478	54,283	54,256	422,909	133,449
1942	13,720	75,162	26,398	56,735	60,377	474,910	143,077
1943	13,379	79,114	27,106	55,775	73,736	540,798	159,599
1944 2/	12,839	82,192	27,607	51,718	83,756	572,460	170,836

1/ Weights: Horses and mules, 1.14; milk cows, 1.00; other cattle, 0.51; all sheep, 0.04; hogs, 0.87; chickens, 0.045.

2/ Preliminary.

Hog Numbers at All-time High

The number of hogs on farms January 1, 1944, was 83.8 million, an increase of more than 10 million from a year earlier. Hog numbers, except for a decline in the year ended January 1, 1941, have been increasing since January 1, 1935. Since 1941 our hog population has increased sharply and on January 1, 1944, it was much larger than beginning of any other year. Combined spring and fall pig crops in 1942 and 1943 established successive records. About 122 million pigs were saved in 1943. With smaller spring and fall pig crops in prospect for 1944 than in 1943, it is almost certain that by January 1, 1945, hog numbers will be reduced.

Cattle Numbers Also at Record Level

Since 1890 cattle numbers have shown a very definite cyclical trend of 5 to 10 years of decreasing numbers followed by 5 to 10 years of increasing numbers. Cattle numbers were at the lowest point in the present cattle cycle on January 1, 1933; since that time numbers have been increasing rapidly. On January 1, 1944, there were an estimated 82.2 million head of cattle and calves on farms (including milk cows) compared with a January 1, 1943, count of 79.1 million. Livestock goals for 1944 call for a reduction in the number of cattle and calves to 76.8 million head. Unless cattle and calf slaughter is materially increased in 1944, however, numbers on farms are likely to remain at a high level.

Sheep and Lamb Numbers Down From a Year Ago

On the first day of 1942 all sheep and lamb numbers on farms were at a record level of 56.7 million head. Since that time sheep numbers have been decreasing. January 1, 1944, sheep and lamb numbers in the 13 Western Sheep States were 34.5 million compared with 36.7 million head on the same date a year earlier. Sheep and lamb numbers in the Native Sheep States were 17.2 million for January 1, 1944, compared with 19.0 million on January 1, 1943.

Horse and Mule Numbers Decline

Horse and mule numbers on January 1, 1944, were estimated to be 12.9 million head, down about $\frac{1}{2}$ million head from numbers on hand January 1, 1943. Numbers of horses have been decreasing since 1915, numbers of mules since 1924. Since January 1, 1918, total numbers of horses and mules have shown a decrease each year. There were less than half as many horses and mules on farms on January 1, 1944, as on the same date in 1918. The reduction in horse and mule numbers since 1918, resulting from increasing mechanization on farms, has made it possible to produce many more meat animals. We could substitute 18 million hogs, 31 million cattle other than milk cows, or about 16 million milk cows for this reduction in horse and mule numbers, in terms of grain-consuming animal units.

Soil Moisture Conditions Improved
in Corn Belt

Moisture conditions in the Corn Belt have greatly improved within the past month. This is especially true in the western part which has experienced one of the heaviest January snowfalls on record. This snowfall came at a time when the ground was not frozen and was in a good condition to absorb the moisture. On the whole, soil moisture conditions are a little better than average in the eastern Corn Belt. Rains and snows in January and February have greatly improved moisture conditions in the southwestern Wheat Belt. In Kansas and Oklahoma, wheat fields in which seed had not sprouted before the December and January storms, are now doing well and providing much needed pasturage. Drought conditions persist only in the area from eastern Wyoming and Montana westward where more snow and rain is needed to insure good dry-land crops and adequate irrigation water.

Range and Range Livestock Conditions
Average

Range conditions in the 17 Western States on February 1 were reported to be about average. However, they were much below average in Idaho, Oregon, and California. Cattle were generally in good condition but in Oklahoma, Texas, and California, were suffering from poor range feed resulting from the dry summer and fall. Sheep are generally in good condition, but are below average condition in New Mexico, Arizona, and California.

The poor condition of sheep wintering in New Mexico and Arizona may be reflected in poor development of the spring lamb crop and in a low percentage of lambs saved in those States.

Hog Weights in 1943 Average 8 Pounds Heavier
Than in 1942; Lighter Weights in
Prospect for 1944

Hogs slaughtered under Federal inspection in 1943 averaged 253 pounds, 8 pounds heavier than in 1942 and 24 pounds heavier than the 1935-39 average. An 8-pound increase in the average weight of all hogs slaughtered in 1943 is equivalent to an average of about 4.5 pounds of pork, dressed weight, for each civilian. Hog weights in 1941 and 1942 were also much above average.

Table 2.-- Average live weight of hogs slaughtered under Federal inspection, average 1935-39, annual 1940-43

Month	Average 1935-39	1940	1941	1942	1943
	Pounds	Pounds	Pounds	Pounds	Pounds
Jan.	226	233	233	240	252
Feb.	223	233	238	237	252
Mar.	225	232	238	233	253
Apr.	227	231	237	235	254
May	230	233	239	240	256
June	242	241	248	251	260
July	251	250	263	265	274
Aug.	241	240	261	266	277
Sept.	230	232	245	250	262
Oct.	223	225	234	241	243
Nov.	223	225	233	245	238
Dec.	227	228	239	249	244
Average:	229	232	241	245	253

Present indications are that hog weights in 1944 will average considerably lighter than in 1943. This will be brought about by less grain per grain-consuming animal unit and feed-grain prices that are considerably above 1943 prices. In December 1943 the hog-corn price ratio for the North Central region was 12.4; in January 1944 it was 12.3. The yearly average hog-corn price ratios for the area of 17.6 in 1942 and 14.6 in 1943, respectively, were very favorable for the feeding of hogs to heavy weights.

In recent weeks hog weights of all purchases at seven markets have averaged almost 4 pounds lighter than in the same period of 1943. Packing sows have averaged about 30 pounds lighter. Barrows and gilts have averaged about 5 pounds lighter. The proportion of sows to total purchases has been larger than a year earlier.

California Early Lamb Crop Smaller
this Year than Last

It is expected that the number of spring lambs in California will be smaller this year than last. However, weather has been mild and dry and death losses have been unusually small. Green feed did not appear as early

as usual, and growers have been required to feed additional concentrates and other feeds to ewes. Sheep are reported to have wintered in below-average condition.

There has been little or no contracting for early lambs this winter. Last year by mid-February more than 350,000 lambs had been bought on contract.

REVIEW OF RECENT DEVELOPMENTS

Price Support on Hogs Extended to 330 Pounds

Effective January 27, 1944, the War Food Administration extended the support-price program to include 300- to 330-pound butcher hogs grading Good and Choice so that the program now covers weights from 200 to 330 pounds. This recent action by WFA was taken to encourage the orderly marketing of hogs and was designed to protect growers who were forced to feed hogs beyond 300 pounds because of crowded market outlets.

The hog-support program originally announced for 1943-44 applied to butcher hogs weighing 200 to 270 pounds. The support-price limit was raised to 300 pounds on December 23 for a temporary period, and on January 27 to 330 pounds for a temporary but indefinite period.

Hog Prices Strengthen in February

Prices for lightweight hogs not covered by the support program advanced in the first 3 weeks of February. Hogs weighing 250-330 pounds continued in large supply; consequently hold-overs of unsold hogs at terminal markets tended to be made up of hogs of these weights. A general price rise occurred during the week of February 14-19 when hog prices at Chicago rose above the support level of \$13.75 for some of the lighter weight hogs of the support range for the first time since November 9. Sow prices also increased as did hogs of lighter weights than the support range.

Record Hog Slaughter in January;

Marketings Heavy in February, to be Large in March

Hog slaughter under Federal inspection in January reached an all-time record of 7.8 million head, 4 percent more than the previous record high slaughter in December and nearly 2 million more than in any other January. February slaughter is also indicated to be very large, but will be less than in January. It is expected that March slaughter will be very high in comparison with March slaughter in other years.

In general, hog marketing in February was in a more orderly manner. Some markets were operating on a permit-to-market basis. Chicago and Omaha reported quite heavy hold-overs during the first half of the month, but other markets reported receipts in line with requirements.

Farmers May Slaughter Hogs Without a
Permit or License Until March 17

Farmers are allowed to butcher hogs and deliver meat to consumers off the farm without a permit or license until March 17. Prior to November 17, 1943, when restrictions on farm slaughter were suspended by War Food Administration to stimulate farm butchering of hogs and thus to relieve slaughtering facilities in commercial establishments, permits were required of farmers who slaughtered hogs and delivered pork to persons not living on their farms.

Cattle Prices Advance in January and February

Prices for almost all grades of slaughter cattle in Chicago have advanced in recent weeks. The weekly top price of \$17.00 at Chicago has been maintained since early December. Prices of most grades have again reached the level which preceded the late September price decline. In early February Choice to Prime heavy heifers established a new peak since last July of \$16.65. The demand for stockers and feeders has strengthened in recent weeks. Improved pasture conditions in many areas have stimulated demand for cattle of these classes. At Kansas City feeder steers in the week ended February 18 averaged \$13.07 compared with \$11.61 a month earlier and \$13.84 for the week ended February 19, 1943.

Cattle and Calf Slaughter High

Cattle slaughter under Federal inspection totaled 1.1 million head in January, a decrease of 5 percent from December but 23 percent greater than slaughter in January 1943. The previous record high for the month, which was slightly less than slaughter this January, occurred in 1919. Calf slaughter under Federal inspection was 12 percent less than in December but was 38 percent greater than slaughter in January 1943. Slaughter of cattle and calves is expected to continue relatively high through February and March.

Sheep and Lamb Prices Rise;
Slaughter at a Record for January

Lamb prices have risen steadily since mid-November. Good and Choice woolled lambs averaged \$16.54 at Chicago for the week ended February 19 compared with \$15.66 a month earlier and \$15.97 for the week ended February 20, 1943.

Sheep and lamb slaughter in federally inspected packing plants in January totaled 1.9 million head, a new record for the month, but a decrease of 14 percent from a month earlier. Sheep slaughter is expected to fall off during February and March. Slaughter of ewes in 1943 was a higher proportion of the total slaughter of sheep and lambs than is normal. A heavy slaughter of ewes occurred in January and February 1944.

Meat Stocks Large; Freezer
Space Short

Total meat storage, including trimmings and edible offal, in commercial warehouses and in meat packing plants on February 1 was reported to be 1,065 million pounds, 153 million pounds more than storage stocks a month earlier

and 250 million pounds more than average February 1 stocks during the period 1939-43. There were unusually heavy accumulations of frozen and cured pork during the month of January. All types of meat in storage increased from January 1 to February 1. The percentage increases were: Beef 6, pork 25, lamb and mutton 3, and trimmings and edible offal 7.

Lard and rendered pork fat in cold storage February 1 was 246 million pounds, an increase of 85 million pounds over January 1 stocks. Lard movement into storage was exceptionally heavy in January.

Freezer space in cold-storage warehouses on February 1 was indicated to be still largely occupied and as completely utilized as on January 1. About 89 percent of the net piling freezer space in public cold-storage warehouses was occupied on February 1, compared with 69 percent occupied on February 1, 1943.

Purchases of Meat and Lard by WFA Continue Large

Purchases of meat and lard by the War Food Administration in February probably will be large although not as large as in December and January. For the 4-week period ended January 29, War Food Administration let contracts for almost 63 million pounds of frozen meat, 123 million pounds of cured pork, 51 million pounds of canned meats, and 146 million pounds of lard. In December, purchases of these items in millions of pounds were: Frozen meats 115, cured pork 115, canned meats 57, and lard 147.

Meat Set-Aside on Cutter and Canner Beef Set at 80 Percent

Effective January 30, 1944, the War Food Administration directed federally inspected meat packers to reserve 80 percent of their cutter and canner beef for purchase by the armed forces. The Government is now reserving 50 percent of the carcasses of Choice, Good, and Commercial beef meeting Army specifications for carcass or frozen boneless beef, and 50 percent of the beef grading Utility meeting Army weight specifications slaughtered in federally inspected packing establishments. No restrictions on the delivery of cutter and canner beef to civilians have been in operation since September 1, 1943, when quotas were suspended. Previously packers under Federal inspection were allowed to deliver 30 percent of their production of canner and cutter beef to civilians, and the remaining 70 percent was available for purchase by the Government.

THE WOOL SITUATION

Purchase Program for Domestic Wool Likely to Continue in 1944

An important development in the domestic wool situation during the past month was the announcement by the War Food Administration on January 26 that it will offer to purchase the 1944 domestic production of wool at the 1943 purchase price, which is the current ceiling price less specific marketing costs. The wool program was announced as part of the proposed 1944 program for support prices on farm products and is subject to Congressional authorization. The proposed wool program is similar to that

of 1943 in that established wool dealers will act as purchasing agents for the Administration and that wool will be offered to mills at ceiling prices.

Appraisals of wool under the 1943 Government purchase program totaled 265 million pounds from the beginning of the program on April 25, 1943, through February 19, 1944. Large purchases of the 1943-clip were made by mills and dealers before the Government program went into effect. Most of the remaining supplies of the 1943 clip have now been appraised and receipts during the balance of the season will consist chiefly of pulled wools. Mid-month prices received by farmers for shorn wool averaged 40.9 cents a pound in the first 9 months of the Government purchase program. This was about a cent a pound higher than the average price received by farmers in the corresponding period of 1942. Farmers probably would have received lower prices in 1943 if no support program had been available, as comparable grades of foreign wool were readily available at lower prices. Army orders, which provided the chief outlet for domestic wools, declined sharply in 1943.

Prices of Medium Grades of Foreign Wool Strengthen in February

Purchases of foreign wool by United States mills continued large in January and the early part of February. Australian and New Zealand wools sold at full ceiling prices at Boston. Australian fine staple combing wool sold at \$1.06-\$1.12 a pound (clean basis), duty paid, in the first week of February. Prices of medium grades of Montevideo wools strengthened in the early part of February and quotations on spot wools at Boston advanced slightly. Prices of Montevideo wools had shown a downward trend in recent months.

Purchases of wools grading 50s to 60s are expected to increase as a result of the recent request for bids on large quantities of wool socks for military use. About 40 million pair will be purchased, including both lightweight and heavyweight socks. Bids may be based on the use of all domestic wool, all foreign wool, or a combination of domestic and foreign wool. Preference will be given to bids based on the use of domestic wool. Because of the urgent need for these items, foreign wool will be accepted if sufficient yarns made of domestic wool are not readily available.

Stockpile Wools Auctioned February 17-18

About 29 million pounds of foreign stockpile wools were offered at auction at Boston, February 17 and 18 by the Defense Supplies Corporation. The offerings included 22.4 million pounds of Australian greasy wool, 2.3 million pounds of Australian scoured and carbonized wool, and 4.4 million pounds of Montevideo wool. About 80 percent of the greasy wools and 65 percent of the scoured and carbonized wools were sold. Bidding was slow on extra fine wools grading 70s and finer, and these grades constituted a large part of the unsold stocks. The small sales of such grades were attributed by the trade to the fact that these wools are not being used in large quantity at the present time.

Prices paid for most greasy Australian wools were reported to be a cent or two below ceilings but some lots were sold at ceiling prices. Selling prices for most Montevideo wools were reported to be about 5 cents a pound

below OPA ceiling prices for such wools. Scoured and carbonized wools sold at minimum prices or only slightly above minimums in most cases.

Mill Consumption of Apparel Wool
Sets New High Record in 1943

Mill consumption of apparel wool in 1943 totaled 592 million pounds (scoured basis) compared with 571 million pounds in 1942 and a pre-war average (1935-39) of 281 million pounds. The 1943 consumption was larger than in any previous year of record. Because of the relatively large use of light shrinking foreign wools in 1943, consumption on a greasy basis was slightly smaller than in 1942. Consumption of apparel wool on a greasy shorn and pulled basis totaled 1,061 million pounds in 1943. Monthly consumption of apparel wool reached a peak in the spring of 1943; since then the trend has been downward. The decline in consumption in recent months is chiefly the result of a decline in the production of military fabrics. Difficulties incident to the change-over from military to civilian fabrics probably have prevented mills from making full use of machinery released by the decline in military requirements.

Military requirements probably will continue at a reduced level in 1944. The decline in such orders will be offset in part by increased orders for civilian fabrics and by production for war relief. Production of civilian fabrics has been sharply curtailed since the beginning of 1942 and inventories are low. War relief fabrics and many civilian fabrics, however, use a smaller percentage of new wool than is used in most military fabrics. Mill consumption is expected to continue relatively large in 1944 but probably will be smaller than the record consumption of the past two years.

Mill consumption of domestic wool totaled 430 million pounds (greasy shorn and pulled basis) in 1943 compared with 541 million pounds in 1942. Consumption of domestic wool was large in the early months of 1943 when mills were delivering large quantities of Army fabrics which called for the use of such wool. With the shift from military to civilian fabrics in the latter half of 1943, however, mills shifted to the use of foreign wools, as large quantities of foreign wool were available at considerably lower prices than comparable domestic wools.

Because of WPB restrictions mill use of carpet wool continued at a low level in 1943. The 1943 consumption of 44 million pounds (greasy shorn and pulled basis) was 28 percent smaller than in 1942 and was the smallest since 1918. Mill consumption of carpet wool averaged 137 million pounds for the 5 years 1935-39. Although wool consumption quotas for floor coverings were removed on November 19, 1943, the supply of carpet wool is limited and little increase in consumption is expected until such wools can be imported in larger quantities.

SALES OF GOVERNMENT WOOL STOCKS IN FOREIGN COUNTRIES AFTER WORLD WAR I

A review of Government sales of wool in the United States in 1918-22 was contained in the January 1944 issue of The Livestock and Wool Situation. Large stocks of wool also were held by the British Government after World War I. The situation during the war period was similar in many respects to the present situation in the British Empire countries. From 1916 on the British Government purchased the entire wool production of Australia and New Zealand. Wool was issued to manufacturers at fixed prices. Because of the difficult shipping situation, and because wool was withheld from the enemy, wool accumulated in the Southern Hemisphere producing countries during the war years.

Situation in British Empire Markets Under Government Marketing 1918-20

The wartime agreement with the Australian and New Zealand growers called for purchase of the entire production for the war period and one wool year thereafter. Hence when the war ended in November 1918 the British Government continued to be the sole marketing agency for such wools. The production of these two countries was about 60 percent of the total production in the Southern Hemisphere surplus-producing countries.

The policy of the British Government in the post-war period called for restoration of free liberty of private trading as rapidly as conditions would permit. With the advice of the Wool Council, an advisory body set up in London to prepare plans for the transition period, it was decided that, beginning April 1, 1919, public auctions at London should become the chief channel of distribution for Australian and New Zealand wools. In an effort to stabilize the market, and to limit speculation, the Government announced that a limited amount of wool would be issued to manufacturers in the United Kingdom and in certain continental countries at fixed prices until November 1919, and wool would not be sold at auction at less than these issue prices.

London wool auctions for the sale of Government-owned Australian and New Zealand wools opened on April 3, 1919. The auctions were conducted by a committee of London Wool Brokers acting under instructions from the Government's Director of Raw Materials. During 1920, auctions were held at Liverpool and Hull and at Antwerp, Belgium, in addition to the sales at London. This was done to relieve port congestion at London and to speed up delivery of wool after purchase. The demand for wool was strong during 1919 and the early months of 1920. Prices advanced almost steadily from the beginning of the sales through March 1920. After the March series, however, prices declined rapidly. The decline was due in large part to the general deflation in world commodity markets, accompanied by credit restrictions and adverse exchange conditions. During the period of declining prices the Government reduced the quantities of wool offered at the various sales and many offerings were withdrawn when bids failed to meet the minimum prices set for each series.

Plans for the Disposal of Carry-Over Wool

The British Government purchase of Australian and New Zealand wools included all wool shorn up to June 30, 1920. As no new clip wools were offered for sale until the Australian auctions opened on October 5, 1920, and private holdings could not reach the London sales before November or December, the Ministry of Munitions continued with the sale of Government-owned wools in

England through the latter half of 1920. By December, however, privately owned wools were being offered in large quantity and it became necessary to define the Government's position on the sale of surplus stocks carried over from the period of Government purchase.

Under the purchase agreement with the growers, the profits on all wool sold by the British Government for civilian use belonged in equal shares to the British Government and to the growers whose wools were acquired in the 1916-17 to 1919-20 period. As returns from the wool previously sold by the Ministry of Munitions covered the entire cost of the wool purchase, the remaining stocks of wool and other assets on hand at the end of 1920 represented profit to be shared equally by the British Government and the Australian and New Zealand wool growers. Thus the wool growers had a considerable interest in the sale of carry-over wool.

Conferences were held in London and in Australia with representatives of the various wool interests, and finally the British Australian Wool Realization Association, known henceforth as "Bawra," was formed. This was a private company formed with Government approval to act as the selling agency for all carry-over stocks. The directorate of the Association included five English and six Australian directors. The principles agreed upon between the British Government and the Association were that the carry-over wool should be sold as promptly as market conditions would permit, that operations of the Association should be conducted with due regard to the legitimate interests of the British consumer, and to maintain and, if possible, to increase the existing trade relations in wool and wool products between Australia and the United Kingdom.

Selling Policy Established at Early Sales

The new Association, which began operations in January 1921, was faced with the problem of disposing of some 860 million pounds of carry-over wool without unduly depressing prices for new clip wools which were then being marketed. The first 6 months of operation was a period of considerable difficulty. Wool prices were declining in all markets and owners of "free" wools were inclined to "meet the market" in order to dispose of their wool, regardless of price. The selling policy of the "Bawra" included the fixing of lower price limits on all wool offered, and called for a given proportion of carry-over wools and free wools in total offerings. No carry-over wools were offered at Southern Hemisphere selling centers. All such wool was shipped to the United Kingdom and Belgium and offered at the established auctions in London, Liverpool, Hull, and Antwerp.

The Bawra policy of fixed minimum prices and proportionate offerings of old and new wools required the cooperation of sellers of current clip wools in order to be effective. The Association worked closely with the Wool Selling Brokers of Australia and with the Wool Merchants Association in London, but was unable to obtain a binding agreement with regard to price limits on offerings of "free" wool. The directors then appealed to the Australian Parliament which passed a regulation controlling exports of wool under a price-limit system, effective May 9, 1921, for a period of 6 months. The regulation provided for a "Declaration of exporter of wool" to be supplied to the Collector at port of shipment in Australia. The declaration required evidence that the wool was purchased at a price not lower than that agreed upon as the official reserve for wool of that type, or in the case of wool consigned for sale overseas, a security that the wool would not be sold either publicly or privately at a

price lower than the official reserve. The penalty for the sale of wool below the prices agreed upon in the declaration was 50 pounds (Australian).

The selling policy with regard to quantities offered called for the offering of one bale of carry-over wool to two bales of new-clip wool. As no carry-over wools were offered in the Southern Hemisphere selling centers, it was necessary to offer a relatively large proportion of carry-over wools at the sales in the United Kingdom. London wool selling brokers were requested to offer two bales of carry-over wool to each bale of privately owned wool at the London sales. The quantities actually offered during the first 6 months of the London sales in 1921 were reported as follows:

Wool: Quantities offered at the London sales, January-June 1921

Date of sales	Quantities offered	
	Carry-over wool	New-clip wool
	Bales	Bales
Jan. 12-27	63,064	57,018
Feb. 22-Mar. 5	74,217	50,226
Apr. 6-15	Offerings withdrawn.	51,912
May 3-12	40,160	34,441
June 7-18	61,277	52,815

Dalgetys Annual Wool Review for Australasia, 1920-21.

A committee representing New Zealand wool interests and acting with Government recognition arranged to cooperate with the Bawra and adopted a scale of minimum reserves and limitation of offerings on privately held New Zealand wools.

In May 1921 the decline in wool prices, which had continued for more than a year, was halted. Wool prices turned upward at the London sales. The reserve prices set for the sale of Australian wools were based on April closing rates. With the advance in price, the minimum reserves were met on most offerings, and sales increased. The increase in prices was maintained at the June series. About 100 million pounds of wool were sold by the Association during the first half of 1921, mostly on a declining market.

Disposal of Surplus Stocks at Rising Prices 1921-22 Through 1923-24

During the last 3 years of operations by the British Australian Wool Realization Association, the situation in the wool market was generally favorable to the disposal of surplus stocks. Wool prices advanced almost continuously. When the regulation controlling exports of wool from Australia under the price limits system expired in November 1921, wool prices had risen well above the official reserve prices and no further legislative action was taken. The agreements determining the proportion of carry-over and private wools to be offered were supported by the Wool Selling Brokers until August 1922. Sales at Antwerp were discontinued after 1922 and all remaining sales of surplus stocks were made at the London, Liverpool, and Hull auctions. Approximately 310 million pounds were sold during the 1921-22 season, about 260 million pounds in 1922-23, and about 190 million pounds in 1923-24. The final sale was held at Liverpool, May 2, 1924.

**Livestock: Marketings and slaughter statistics, by species,
January 1944, with comparisons**

Item	Unit	Annual totals			1943		1944
		1941	1942	1943	Jan.	Dec.	Jan.
Cattle and calves -							
Number slaughtered under							
Federal inspection:							
Steers	Thous.	5,459	6,019	5,737	461	515	
Cows and heifers	"	4,992	5,854	5,516	434	646	
All cattle	"	10,946	12,347	11,727	928	1,191	1,141
Percentage cows and heifers							
are of total cattle	Pct.	45.6	47.4	47.0	46.8	53.8	
Calves	Thous.	5,461	5,760	5,209	340	529	468
Average live weight:							
Cattle	Lb.	961	954	955	970	947	
Calves	"	196	208	207	192	212	
Total dressed weight:							
Cattle	Mil. lb.	5,739	6,347	5,970	487	585	
Calves	"	599	667	597	36	61	
Shipments of feeder cattle and							
calves to eight Corn Belt							
States 1/	Thous.	2,395	2,564	2,363	104	162	92
Hogs -							
Number slaughtered under							
Federal inspection	"	46,520	53,897	63,431	5,431	7,567	7,839
Average live weight	Lb.	241	245	254	252	244	
Percentage packing sows are of							
all purchases at seven markets:	Pct.	11	13	15	7	9	8
Total production under							
Federal inspection:							
Pork	Mil. lb.	6,345	7,562	9,308	793	1,034	
Lard 2/	"	1,526	1,724	2,080	179	260	
Average yield per hog:							
Pork	Lb.	136.8	140.6	147.1	146.3	136.9	
Lard 2/	"	32.9	32.1	32.9	33.0	34.4	
Storage stocks end of month:							
Pork	Mil. lb.	---	---	---	588	514 3/	644
Lard 2/	"	---	---	---	112	162 3/	246
Sheep and lambs -							
Number slaughtered under							
Federal inspection	Thous.	18,125	21,625	23,363	1,724	2,258	1,933
Average live weight	Lb.	88	89	91	91	92	
Total dressed weight	Mil. lb.	750	880	958	71	94	
Shipments of feeder lambs to							
eight Corn Belt States 1/	Thous.	3,689	3,980	4,240	178	141	129
Total dressed weight of live-							
stock slaughtered under							
Federal inspection	Mil. lb.	15,523	17,821	19,686	1,632	2,130	

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska.

2/ Including rendered pork fat.

3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by species,
January 1944, with comparisons

Item	1943	Jan.			1943	1944	
	annual	1932-41					
	aver-	average	1942	1943	Nov.	Dec.	Jan.
	age						
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves -							
Beef steers sold out of first:							
hands at Chicago:							
Choice and Prime	16.23	10.74	13.63	16.05	16.04	16.21	16.35
Good	15.34	8.95	12.54	15.05	14.98	14.89	15.00
Medium	14.01	7.46	11.02	13.66	12.88	12.78	12.94
Common	11.66	6.20	9.39	11.79	10.64	10.71	10.84
All grades	15.30	8.60	12.60	14.84	15.10	14.87	14.82
Good grade cows at Chicago ..	12.98	5.72	9.60	13.04	11.77	11.50	12.00
Vealers, Good and Choice at :							
Chicago	15.18	9.19	14.16	15.38	14.36	14.15	14.25
Stocker and feeder steers at :							
Kansas City	12.35	6.75	10.57	12.67	10.97	11.29	11.60
Average price paid by							
packers:							
All cattle	12.22	6.28	10.14	12.39	10.31	11.02	
Steers	1/	1/	11.66	13.80	13.21	13.86	
Calves	12.28	7.27	11.63	13.14	10.65	11.21	
Hogs -							
Average market price at							
Chicago:							
Barrows and gilts	14.49	1/	11.44	14.85	13.74	13.55	13.51
Sows	13.71	1/	10.58	14.30	13.17	12.37	11.96
All purchases	14.31	6.66	11.36	14.78	13.64	13.35	13.21
Average price paid by packers:	14.11	6.58	11.13	14.56	13.40	13.14	
Average price No. 3 Yellow							
corn at Chicago 2/	104.6	60.8	81.8	96.6	3/106.5	3/115.5	114.2
Hog-corn price ratio at							
Chicago 4/	13.7	11.3	13.9	15.3	12.8	11.6	11.6
Sheep and lambs -							
Slaughter lambs, Good and							
Choice grade at Chicago	14.95	8.64	12.47	15.85	13.73	14.55	15.52
Feeding lambs, Good and							
Choice grade at Omaha	13.22	7.58	11.35	13.59	11.35	11.65	12.50
Ewes, Good and Choice grade							
at Chicago	7.44	4.14	6.24	8.30	5.85	6.71	7.73
Average price paid by packers:							
for sheep and lambs	12.20	8.09	11.42	13.70	10.45	11.67	
Index retail meat prices 5/	115.0	77.1	100.1	115.8	112.1	112.6	
Index income of industrial							
workers 6/	239	73	157	220	249	248	

1/ Not available. 2/ Cents per bushel. 3/ Represents ceiling price. 4/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 5/ Bureau of Labor Statistics, converted to 1924-29 base. 6/ Bureau of Agricultural Economics, 1924-29 = 100. Revised March 1943.

selected periods, 1941-43

Weekly average in hours

1/ Aggregate mill consumption figures for 1942 and 1943 are 52 week totals based on weekly average consumption for the reporting year. 2/ Revised. 3/ Subject to revision. 4/ 4-week period. 5/ 5-week period. 6/ Apparel wool includes all domestic wool and all duty-paid foreign wool. Carpet wool includes only foreign wool entered free of duty for the manufacture of floor coverings, press cloth, knit or felt boots or lumbermen's socks. 7/ Total of shorn and pulled wool. Pulled wool, grease basis, is in condition received from pulleries and is mostly washed. 8/ 1943 figures not strictly comparable with those of earlier years because of different method of reporting. 9/ Includes blended fabrics. 10/ Not available.

Prices per pound of wool and other textile raw materials in
the United States, selected periods, 1941-44

Item	Average			1943			1944
	1941	1942	1943	Jan.	Nov.	Dec.	Jan.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Boston market -							
Territory, scoured basis -							
64s, 70s, 80s (fine) staple							
combing	108.8	119.1	117.8	119.0	117.0	117.8	119.0
56s, (3/8 blood) combing	91.2	102.6	104.2	103.5	104.5	104.5	104.5
46s (low 1/4 blood)	82.3	90.7	93.7	94.0	92.0	92.0	92.0
Bright fleece, greasy -							
64s, 70s, 80s (fine) delaine ..	43.1	47.2	46.9	47.0	47.0	47.0	47.0
56s (3/8 blood) combing	46.8	51.8	54.2	53.0	54.5	54.5	54.5
46s (low 1/4 blood)	46.5	49.8	52.0	51.5	53.5	53.5	53.5
Foreign wool - in bond at							
Boston 1/ -							
Sydney - scoured basis -							
64s, 70s, good combing	72.7	78.1	76.5	76.5	76.5	76.5	76.5
Cape - scoured basis -							
12 months, combing	70.9	75.6	75.5	75.5	75.5	75.5	75.5
Montevideo - grease basis -							
Merinos (60-64s)	40.4	43.0	41.4	39.5	41.5	40.7	39.8
1s (56s)	38.6	42.5	41.4	39.5	41.5	40.7	39.8
Prices received by farmers,							
grease basis, 15th of month	35.5	40.1	2/40.8	39.5	40.7	40.5	40.2
Textile fibers:							
Wool, territory fine staple 3/ ..	108.8	119.1	117.8	119.0	117.0	117.8	119.0
Cotton, 15/16-inch Middling 4/ ..	13.9	19.3	20.6	20.4	19.7	19.7	20.2
Rayon yarn, 150 denier 5/	53.6	55.0	55.0	55.0	55.0	55.0	55.0
Rayon staple fiber 6/ -							
Viscose 1-1/2 denier	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Acetate 5 denier	43.0	43.0	43.0	43.0	43.0	43.0	43.0

Compiled from reports of the War Food Administration except as otherwise noted.

1/ Before payment of duty. Compiled from The Commercial Bulletin, Boston.

2/ Unweighted 12-months' average, subject to revision.

3/ Scoured basis, Boston market.

4/ Average at 10 markets.

5/ Domestic yarn, first quality, Bureau of Labor Statistics.

6/ F.o.b. producing plants, Bureau of Labor Statistics.

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